
Appropriations Committee

HB 1333

Brief Description: Restoring payment rates for community residential providers and annually adjusting payment rates for community residential providers by the rate of inflation.

Sponsors: Representatives Pettigrew, Walsh, Pollet, Kagi, Green, Reykdal, Santos, Sawyer, Moscoso and Morrell.

Brief Summary of Bill

- Requires the Department of Social and Health Services (DSHS) to adjust rates for providers of community residential services for persons with developmental disabilities by an inflation factor during the first month of each fiscal year, beginning July 1, 2013.
- Requires the DSHS to increase the benchmark rate for community residential service providers by 2 percent on July 1, 2013, and an additional 2 percent on July 1, 2014.
- Requires the DSHS to review the indirect client support/administrative rate for all community residential providers, and on July 1, 2013, raise any provider falling below the standard indirect client support/administrative rate to the standard.

Hearing Date: 2/26/13

Staff: James Kettel (786-7123).

Background:

The Developmental Disabilities Services Administration (DDSA) within the Department of Social and Health Services (DSHS) provides support for approximately 25,000 people with developmental disabilities each year. Community residential, one of the services within DDSA, refers to habilitation, instruction, and support for clients living in community settings. Supports provided to clients vary from a few hours per month up to 24 hours per day of one-to-one support. Supported living—that is, services provided to no more than four clients living in a home that is owned, rented, or leased by the client(s), or their legal representative(s)—is the most

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common of the community residential services, covering about 3,500 of the 4,500 clients who receive community residential services.

Rates for community residential services are client-specific. The DDSA authorizes direct care staff hours needed to meet clients' assessed needs. Direct care staff hours are paid at a benchmark rate specific to county classification—either as Metropolitan Statistical Areas (MSA), Non-MSA, or King County. In addition to the benchmark rate, providers receive an indirect client support/administrative rate and a client transportation rate. If agencies provide lodging for overnight staff usage, then a rate for the lodging cost is also included. Rates are reviewed by a cost reimbursement analyst within DSHS and approved by the residential program manager and the division director within DDSA.

Rates for community residential providers have been reduced in recent budgets - a 3 percent reduction starting in Fiscal Year 2010, and an additional 1 percent reduction starting in Fiscal Year 2012. There is currently no mechanism in place to adjust rates for community residential providers for inflation.

Summary of Bill:

Inflation Factor,

Beginning in Fiscal Year 2014, and each fiscal year thereafter, all rate components for community residential providers must be adjusted by an inflation factor during the first month of the fiscal year. The inflation factor must be calculated based on the rate of change in the consumer price index for urban wage earners and clerical workers, published by the United States Bureau of Labor Statistics, for the most recent available 12 month period. The adjustment may not be less than 0 percent and may not exceed 4 percent.

Rate Restoration,

Rate reductions for community residential providers within the 2009-11 Biennial Budget and 2012 Supplemental Budget, a combined 4 percent reduction, are restored during the 2013-15 Biennium. On July 1, 2013, after the inflation factor adjustment has been applied, the benchmark rate must be raised by 2 percent. On July 1, 2014, after the inflation factor adjustment has been applied, the benchmark rate must be raised by 2 percent.

Standard for Indirect Client Support / Administration.

The DSHS must review the indirect client support/administrative rate for all community residential providers. On July 1, 2013, any provider that falls below the standard for indirect client support/administrative rate must be raised to the standard.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2013.